

## AN ANALYSIS OF SOCIAL CHANGE

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The US government now maintains teams of observers, reporters and social engineers in nearly all of the countries of the underdeveloped world. In the course of their duties, these men and women accumulate vast amounts of data on virtually all aspects of the countries in which they are living: this information ranges from the physical characteristics of the country to the casual remarks of its petty officials. A significant proportion is then transmitted to Washington where it is made available in raw form to a large number of officials of our government and is used as background material in the projection of intelligence estimates, background studies, and policy papers.

By the nature of the reportorial process, highly specific questions are posed from Washington to the representatives in the field. Occasionally a "circular" will go out to a large number of posts asking for additional information on such categories as youth activities, internal security and scientific development. But, in general, reporters in the field are left largely to their own devices.

Because no reporting can ever completely satisfy its recipients, Washington officials try whenever possible i.e. whenever funds are available -- to visit all of the areas in which they are particularly interested. Conversely, officials in the field are often brought back to Washington for consultations. Normally, this results in the increase in specific information on topics of immediate interest and a sense of "feel" for the political climate.

In my experience, however, at no point in this process is information forced to yield a coherent pattern. Some

experiments have been made, particularly by the State Department Bureau of Intelligence and Research, to develop an essay form which allows one to analyze the political dynamics of selected countries. To this extent, the bureaucratic hurdle, by no means the least of the many hurdles, has been passed but there still remains the problem of how officers in the field can so devote their time as economically to produce information which is susceptible to coherent analysis. Lacking such a matrix, reporters can only guess whether or not they are missing the significant in reporting the obvious -- or the urgent.

At this point the onus falls largely on the academic community. I have found that neither most of the reporting officer to whom I have spoken nor the analytical and policy officers in Washington finds much stimulus in most of the material produced by political scientists in this country. To put the feeling of many of my colleagues in its simplest form, it is that political scientists in the United States have developed a kind of modern secularist scholasticism. They appear to be analyzing in more and more detail refinements of a nomenclature which bears less and less relationship to the world with which government officials are dealing.

Similarly, while economists ask more policy-oriented questions, their questions rarely yield information of political importance and occasionally yield political misinformation. An example is the concept of gross national product. Most economists appear to be interested solely in whether the GNP is increasing or decreasing. If the GNP is increasing, the society may be assumed to be progressive and relatively stable. When this concept is questioned, the further -- social -- refinement of GNP per capita is added. If the GNP per capita is rising, then a certain political corrolary is drawn: since things are improving, the people will not use violence to upset the political status quo.

These concepts have, however, proven so unworkable in the past as to discredit, at least in part, the economist's view of social change in the mind of the political



reporter.

For example, between 1952 and 1958, Iraq not only had a major increase in GNP but a considerable increase of GNP per capita. Yet, the more rapid the rise of GNP per capita, the more explosive and unstable appeared the political situation in the country. This culminated in the 1958 revolution. A second, contrasting, example is the UAR. Between 1955 and 1960, the GNP of the UAR per capita hardly changed at all. Yet, during this period the UAR was politically stable.

A third example is Algeria. In 1960 the GNP of Algeria was \$2.9 billion. In 1963 the GNP had fallen, catastrophically, to \$1.9 billion. Approximately 8% of the Algerian population (those with a virtual monopoly of skills) had left the country. Most of the other economic indicators show a precipitous decline (e.g., the rate of investment has fallen 80%). Trade and construction were stagnant. Famine was a clear and present danger. These factors would seem to indicate major political deterioration as well. This was certainly the assumption on which those of us in Washington had to make from the evidence we had available. The Embassy team in Algiers had come to the same theoretical decision. Yet, their eyes told them quite a different story. It was clear that the Algerian regime was growing not weaker but stronger.

The result of this lack of congruence between theoretical patterns of analysis and the actual world has led to a situation in which the utility of all conceptual schemes has come so severely into question that it is fashionable for official reporters to ignore them entirely.

This is, incidentally, not only true of our concepts. Soviet recognition of the inappropriateness of their own, class-based, Marxian analysis of the modernization movement was borne out recently in a lecture given by A. I. Kiselev, Candidate of Historical Sciences and Member of the Afro-Asian Institute, when he said

"One difference between their [the Arabs']

socialism and the Soviet Socialism is that they do not all recognize Marxism-Leninism. Another is that some of their socialist parties represent many classes, not just the proletariat."

## II

To attempt to bridge this gap between theory and reporting, I would like to set out one relatively simple conceptual scheme for the political analysis of social change. If this scheme has utility, it is primarily that it enables reporters to ignore large elements of society and to concentrate their efforts on relatively few points of high political leverage. Its utility is probably confined to developing societies and may not be relevant in some of those. It is extrapolated primarily from my observations in Iran, Turkey, Iraq, Egypt, Algeria and Morocco. But, if it is approximately correct, it yields certain further questions and also certain deductions on the nature of social change in its relationship to American foreign policy.

Essentially, there are two general categories of social analyses. There is the category which relates primarily to horizontal divisions between classes and the category relating to groups of people within a given society. The first analysis has been used primarily for the more advanced societies and the second for more primitive societies. To some degree, the first is equated with sociology and the second with social anthropology.

By drawing three horizontal lines on a piece of paper, with linear projections to indicate population size in each class, one can get a profile of American society, for example, which shows the tremendous preponderance of the middle class. The factors which make up this class differentiation can be grouped psychologically, economically, politically and in other ways coherently and satisfactorily. Obviously a great deal can be ascertained about America in this way. A further refinement can be obtained by drawing vertical lines to divide off certain ethnic and religious groups which can then be separately



considered. For example, the class profile of Negro society is considerably different from that of White society.

In viewing such composite societies as that of Lebanon, a class analysis requires so many vertical lines, with considerable differentiation between the groups, as to be too cumbersome to use. Consequently, most political analyses of such a society as the Lebanese concentrates on groups. The Maronites are treated separately from the Druze, the Shii, the Armenians, the Greek Orthodox and other groups. In a relatively static society, particularly one of considerable geographic isolation, this system is of some political utility. When, however, reasonably rapid social change begins to take place, one finds a considerable intermingling of the social groups and the development of some coherence of class, occupational and geographical interests. For this reason, a political analysis of even such a small complex society as Lebanon can be extraordinarily difficult.

### III

The overwhelming number of cases of the underdeveloped countries, however, are not so complex as Lebanon. Most of the countries have a clearly defined dominant group. The key political differentiation in this case, I believe, is between the "traditional" elements of the society and what I have called the "new men."

The "new men", to simplify, are those people who possess the skill, the discipline, the orientation and the motivation to modernize society. However much they may differ amongst themselves in terms of income, education, and ability, they are even more sharply differentiated in what are politically more significant ways from the traditional elements of society.

Take the case of Egypt as an example. Egypt today is a country of approximately 28 million people. Of these about 25 million are Sunni Muslim and 3 million are Copts. The vast majority of the population, between 60 and 75 percent, is dependent upon agriculture either directly or

indirectly as a means of subsistence. The GNP of Egypt is \$3.5 billion. The GNP per capita is approximately \$120. The rise of GNP per capita has been extremely small in the past. Indeed, it has been largely offset by the rapid (3 percent) rise of the population. In the last two or three years the rise of the GNP per capita has been between 2 and 3 percent. In previous years, there was no statistical rise at all. Meanwhile, expectations have risen, and are now rising, sharply. Yet, as mentioned above, the UAR regime remains stable.

As in Algeria, in Egypt those groups with power are reasonably content. Our gross information has smoothed away points of analytical purchase.

Obviously, what this calls for is some categorization of information. The scheme which appears to make the most sense to me is one which essentially divides the society into six compartments. This can be visualized conceptually by drawing three horizontal lines on a page divided by one vertical line. To the right of the vertical line is the traditional society, to the left of the vertical line is the modern component.

Nasser		(King)	
New		Traditional	
Men		Society	
senior admin, technicians, bureaucrats		large (100+ acres) landowners 1%	
industrial foremen & technicians; junior bureaucrats		merchants, medium land-owners, traditionally educated 10%	
		urban-rural lower class 85% (now 80% in lower class)	

In Egyptian society, the vast bulk of the population, perhaps 85% is in the lower right hand box, the traditional lower class. From a political point of view there is, as yet, no real political differentiation between the rural and urban components. Indeed, to the best of our rather scanty information, the urban component of the traditional lower class tends to form itself into urban village conglomerations. That is to say, displaced villagers tend to group with their fellow villagers in sections of a city. Thus, villages develop urban extensions. But, these displaced villagers remain essentially that. They take part in relatively few functions of urban life and remain



isolated from urban political movements. As in Iraq, so in Egypt, to date there has been no success in the efforts of the Communist parties and other groups, with the possible exception of the Egyptian Muslim Brotherhood, to organize the traditional urban lower class.

Rural lower class society remains fragmented in village communities or in kinship groups within village communities. Thus, extreme dis-satisfaction with an existing political situation, as reported in Egypt between the end of World II and the coup d'etat of 1952, results in sporadic upsurges of violence and dissidence but not in any organized militancy.

The middle box on the traditional side is composed of merchants, people educated in traditional subjects (such as Islamic law, Arabic literature, etc.), medium-sized land owners and others, who, while educated are not qualified in subjects which orient them toward a modern society. Like the traditional lower class, the middle class traditional society is both urban and rural based. In Egypt, it numbers, at a guess, about 10 percent of the population.

The top box on the traditional side has dwindled considerably in Egypt since land reform was instituted in 1952. This section was always extremely small. Prior to land reform there were approximately 5000 "proprietors" of land in units of over 100 acres. However, a number of these "proprietors" were in fact duplications since a single owner might be the proprietor over several pieces of land.

If one accepts this arbitrary definition of the landed component of the upper class (a hundred acres of irrigated Egyptian land in 1945 would yield approximately \$12,500 of rent), the traditional Egyptian upper class may be estimated at about one percent of the population. At the pinnacle of the system was the royal family which was the largest land owner in the country.

#### IV

Egypt has made several attempts to create a modern

component of its society. The first, the most dramatic and rapid, was from 1820 to 1840; the second, over which native Egyptians exercised less direction and which was less consciously undertaken or concentrated, was spread over the years from roughly 1900 to the beginning of World War II; and the third, now in process, began shortly after the 1952 coup d'etat. To generalize, it may be said that the first and third were national quests for power while the second was an attempt to create an economic means of administering the country.

In the first period, the great Turkish governor of Egypt, Mehmet Ali Pasha, attempted to create in Egypt a movement of modernization somewhat similar to the Meiji of Japan. To Mehmet Ali and his contemporaries, Napoleon had demonstrated the overwhelming power of a modern military machine. His crushing defeat of the traditional, Mamluk forces of Egypt had convinced all aspirants to power in Egypt that they must copy Western techniques in order to be successful. Each of the rivals for power in Egypt in 1805 equipped his small personal army with European uniforms, hired European officers and had his men taught Western drill.

Where Mehmet Ali differed from his rivals was in the profundity of his understanding of power. Indeed, no single aspect of the development or modernizing process is politically more significant than the change in the nature of power. Power, Mehmet Ali realized, meant more than having well-dressed soldiers and modern guns -- which could be dangerous and expensive -- but meant also having the means to clothe and feed soldiers, to make and supply guns and to organize and control the soldiers. This meant building factories, training people to run them, acquiring the financial power to pay for them. Arsenals, dockyards, factories, hospitals, schools, technicians and bureaucracy, all were essential to build the military machine which alone could ensure security against the jealous and angry Sultan of the Ottoman Empire and greedy forces of European imperialism. Modernization was the result.

In his attempt to modernize Egyptian society, Mehmet Ali dispossessed traditional land owners, destroyed the



medieval guild system, crushed the Mamluk aristocracy, largely replaced the traditional handicraft industry, altered the agricultural crop system and sent large numbers of students, technicians and potential industrial workers to Europe for training.

By 1841, Mehmet Ali had a modern, disciplined military force of nearly 200,000 men, a relatively large textile industry, dockyards and arsenals sufficient to supply his growing and powerful navy, and about 30,000 industrial workers in what was then a modern industry.

That Mehmet Ali's attempt at modernization failed was primarily due to Western intervention. In 1840 Great Britain invaded Lebanon and Syria, which were then part of the Egyptian Empire, drove out the Egyptians and forced the Egyptian state to give up tariff barriers and a domestic commercial monopoly which protected its industry from a deluge of cheap Western industrial produce, and to reduce its army to 18,000. This blunted the last coherent, large-scale, government-directed thrust at modernization until after Nasser had seized power in Egypt in 1952.

This experiment is of more than antiquarian interest for two reasons. First, it shows that once the intense drive of modernization stops, the new and the traditional are apt to meld into a new pattern. The sharp division of the new from the traditional fades as the new acquires some of the vested interests of the old, and new elements will gradually develop to the left. Thus, the arbitrary, analytical division of new and traditional society can be seen to be historically fluid; indeed, from a cultural point of view, it may be the movement between categories which is of most interest. Second, even an abortive thrust toward modernization can lay the groundwork for subsequent development -- in the case of Egypt carried out in the latter part of the century -- and probably does destroy the old structure of power so that it cannot be reimposed.

V

The pattern which has begun to emerge in Egypt since 1952 will now enable us to fill in the other three boxes in the graph.

Three basic policies can be noted in the Egypt since 1952 which have tended to transplant people from the lower right hand into the lower left hand box of our scheme.

The first of these was an attempt to redistribute rural income through land reform. This policy had two effects. On the one hand it stripped away financial power in large part from the upper class traditional society, the top right hand box. That group had been the holder of political power and was the principal initial rival of Nasser's new regime. On the other hand it was a step toward raising the standard of living of the traditional lower class to the point where some elements of the lower class would become amenable to modernization.

In this course the Egyptian government early recognized that it had not been entirely successful. Probably no more conservative man than the Egyptian peasant is alive today. As Father Ayrout has observed of the Egyptian peasant,

"They have changed their masters, their religion, their language and their crops, but not their way of life. From the beginnings of the Old Kingdom to the climax of the Ptolemaic period the Egyptian people perserved and maintained themselves. Possessed in turn by Persians, Greeks, Romans, Byzantines, Arabs, Turks, French and English, they remained changeless... A receptive people, yet unyielding; patient, yet resistant."

Therefore, the regime undertook a second program to create a new sort of Egyptian peasant. This was the essence of the "Liberation Province" scheme in Egypt. While this scheme has not been successful economically, it has been



sporadically pursued by the Egyptian government because of the political importance of the social goals to which it is addressed. These were quite interestingly set out by the original director of the Social Affairs Department:

"Settlers are selected scientifically on social, medical, psychological tests. As social qualifications, applicants must possess one wife, no dependents except children, and no property; they must have been married only once, and must have finished their military service. Of 1,100 applicants so far, all have the right social qualifications, but only 382 families were accepted medically, because while most of the men were healthy enough, the women and children fell far short of the standard. Only 180 families survived the psychological test...of these 132 are now undergoing a six-month training, which included a three-month probation period. We must consider both people and land to be under reclamation."

The "new man" of Liberation Province was marked off from the traditional Egyptian peasant by a new standardized uniform in place of the gown worn traditionally (as the turban lost to the Fez in the 1830s so in the 1950s the fez to the cap), by a much higher caloric intake of food and by a salary four times the average rate in Upper Egypt. In addition, the workers were to put their children into a boarding school, in some ways similar to the practice in the Israeli kibutzim, which presumably would enable teachers to ensure a more modern upbringing for the children. Moreover, like the rest of Egypt, Liberation Province was to become a mixed rural and industrial economy with factories interspersed throughout the agricultural area.

The third thrust of Egyptian policy is toward industrialization. Repeatedly and consistently American and other advisers have warned the Egyptian government that it was making a tragic economic mistake in promoting industry rather than agriculture in its development scheme.

It was pointed out to the Egyptian government that Egyptian infant industry could never compete on the world market and that the building of such monuments as the Helwan Steel Factory was a frivolous and silly waste, in quest of prestige, of critically short Egyptian resources. What Egypt needed, in the opinion of the advisers, was to concentrate on exportable agricultural commodities which would increase foreign exchange earnings.

The Egyptian government has consistently refused to follow Western advice in this direction and has devoted an overwhelming proportion of its resources to the industrialization of the society.

Undoubtedly, from an economic point of view, Western advice was sound. However, from a political point of view, the Egyptian government's actions respond to other criteria.

Shortly after the 1952 coup, the new Egyptian rulers realized that they must weaken their opponents, the traditional ruling class, and they accomplished this through a series of steps leading through land reform to the banning of the established political parties to eventual nationalization of most business ventures. It was some time later, however, before the "Free Officers" began to act in such ways as would build a new constituency for their regime. In their attempts to do this in the countryside, through land reform and the Liberation Province scheme, they were disappointed. It was clear that the transformation of the peasant was going to be a long and frustrating process.

Probably for other reasons the new rulers set about creating an industry but once having embarked on this policy, they came to realize that industry is of the modern world. The people properly and fully associated with it are, obviously, on the left side of the diving line. Almost by definition, they are the proponents and adherents of the new regime. Not until they were a large and secure group could the regime be powerful and secure. Therefore, the drive of the Egyptian government toward the creation



of new industrial position, rather than the creation of exportable commodities, was a prime consideration. A detailed analysis of the Egyptian development plan will show conclusively that the political intent was clearly to move people from the right side of the ledger to the left or modern component of Egyptian society. This could be done only if large numbers of jobs were created in elements of the economy which were oriented toward modern society. Politics, not economics, set the policy.

## VI

In addition to creating niches in the modern sector, the regime had to create the "new men" to fill them. In 1952, very few Egyptians fit that category. Therefore, it was necessary to find a means of moving increasingly large groups of people physically, intellectually and spiritually from the traditional to the modern component. How was this to be done?

Essentially, Egypt has used two methods of accomplishing this transition. The first is slow, costly but ultimately the most productive: education. In 1945, approximately 0.9 million Egyptians attended school. By 1960, this number had been more than trebled and by 1970 it will reach nearly 6 million. Technical education was virtually a product of the 1952 revolution. Prior to that time, very little attention had been given technical studies in the Egyptian universities. By 1961, nearly 40,000 Egyptians had graduated from Egyptian universities in the natural sciences and technology. Nearly 120,000 were then in training in vocational schools in Egypt.

The second method was enforced military service. It was, above all, the Army which was the vanguard and source of the revolution in Egypt. Traditionally, of course this was not the case of the military. Indeed, in Egypt the military had been an alien aristocracy superimposed upon the society, living apart as a caste and not even speaking the language of the inhabitants. It was not until nearly the end of the Nineteenth century that

native Egyptians were able to raise to senior ranks in the Egyptian army. It was not until the eve of World War II that the military academy was opened to young men of the lower middle class (and among the cadets was Gamal Abd'n-Nasir /Nasser/). The change involved in this process has been aptly described by Manfred Halpern as one "from Praetorian Guard to Advance Guard."

The armies, alone among the institutions of the under-developed societies, were organized along nationalist, modern lines without commitments to the past. The military alone had a defined code, a clear line of command, lines of communications, mobility, force and, ultimately, will. The better it became as a modern instrument of the state, the less committed it was to the traditional state. As Halpern has perceived:

The more the army was modernized, the more its composition, organization, spirit, capabilities, and purpose constituted a radical criticism of the existing political system... In civilian politics, corruption, nepotism, and bribery loomed much larger. Within the army, a sense of national mission transcending parochial, regional, or economic interests, or kinship ties, seemed to be much more clearly defined than anywhere else in society....As the army became modernized and professionalized, the traditionalist elements within the civilian sector found army service less to their taste....

In Egypt today the Army is not only a "school" in civic virtues, as it has been regarded throughout this century, but is in addition a school to impart modern skills, a hospital to cure the ills of society by turning out healthier men and a source of discipline. Each year, approximately 20,000 Egyptians are inducted into the army for three-year enlistments. From 1957 to 1961, about 130,000 Egyptians passed out of the armed forces into civilian life. When one considers that larger



scale, modern Egyptian industry in 1961 employed roughly  $\frac{1}{2}$  of a million workers, the impact of this output of ex-soldiers can be appreciated.

In our concentration upon such formal aspects of organization of power as the standing army and the security forces, not very much attention has been paid to these former soldiers. Consequently, we know very little about what has happened to them. It does appear relatively certain, however, that few have returned to the right side of the column, the traditional society. The reason for this is clear and simple. These men are possessed of rudimentary technical training (they know how to repair a truck, assemble a rifle, work on a radio, etc.), a sense of discipline, an indoctrination in nationalism and certainly a far higher standard of health than of those who have not had their Army experience. All of these things are rare and prized possessions in a backward, poor but rapidly evolving and industrializing society. The Army can thus be seen to be a primary agent in the creation of the group of "new men" who fit in the lower left hand box of our scheme.

The creation of the other two boxes on the left hand side of the column is almost a mechanical process consequent to the development of the lower left hand box. Former non-commissioned officers and those with industrial experience have become the foremen and the technicians who mobilize the industrial labor force. Officers are increasingly relied upon by the Egyptian Government for positions in the governmental, commercial and industrial bureaucracy.

The Egyptian Government's political program of nationalizing industry has served both to weaken the control of rival groups in the society, particularly from the urban component of the traditional upper class, and to create positions for this new bureaucratic middle class.

Finally, the upper left hand box in our scheme is composed of the senior administrators, technicians, bureaucrats and officials of the Egyptian regime. In many ways,

this group has already acquired the accoutrements of political and social power that formerly pertained in the traditional upper class. Such men as the directors of the Suez Canal Authority and the Petroleum Authority, the senior officials in the Presidency, Governors of provinces, the director of the steel factory, et al, have relatively great affluence and power. At the pinnacle of this column is Nasser himself.

An analysis of Egyptian politics over the last ten years and a projection of plans for the coming decade would indicate that the primary policy of the Egyptian Government is to shift the vertical line increasingly to the right so that a larger proportion of the Egyptian population is included in the categories of "new men". With this, primarily political, purpose in mind, the developmental policies of the Egyptian Government appear reasonably consistent, coherent and well conceived.

The question of whether or not the Egyptian government can afford to sustain this program is a crucial one. It is probably not susceptible to a clear answer. Much, of course, depends upon the extent of foreign aid which the Egyptian government can command. In general, however, at the current rate of expenditure and the current levels of foreign aid, the momentum can only be sustained if the foreign debt can be rolled over virtually continuously. At some point, major changes either in the allocations or in the revenues will have to be made.

It is important to consider that the economic crises and budgetary maneuvers these will entail may, themselves, be significant forces of change as well as of inhibition. Whereas, in the years around 1841, the first Egyptian modernization ground to a halt as its economic base was sapped, today a government may be driven either to a more radical policy or may be replaced by those who will claim to be able to do a better job.

## VII

A number of other points can be brought out through this scheme of analysis. For example, the disparity of



power between Israel and Egypt becomes more evident. It is probable that the total component of the modernizing society, the effectives, in Egypt number three quarters of a million adults. In Israel, however, the traditional element of the society is relatively small while the modern component is relatively large, perhaps  $2\frac{1}{2}$  million. Deducting minors, therefore, one finds a comparison by modern components of the society to be  $1\frac{1}{2}$  to 1 in favor of Israel. This is a comparison of Egyptian and Israeli power not far off that to which other kinds of observation lead us. In military power terms, the effectives in the Israeli society are capable of fielding a military force of a  $\frac{1}{4}$  of a million men in 48 hours whereas the Egyptians are capable of fielding a military force of 150,000 men in 48 hours.

#### VIII

When one uses this scheme to analyze political stability, various new factors emerge. In the first place, it is evident that GNP per capita is not a politically useful measure. GNP per capita can remain stable, rise or be lowered with stability, tension or revolution. But very different results are obtained from a sectoral analysis.

Prior to the 1952 coup, when the upper two right hand boxes in our scheme were dominant in Egyptian society, a precipitous change in their income might have been reflected in serious political disturbance. Today that is no longer the case. Conversely, a precipitous downward change in the income in any one of the three left hand boxes might today produce considerable political unrest.

This is, essentially, another way of saying that the nature of power and those who control it have changed. In pre-1952 Egypt, the two upper right hand groups controlled the economy, the press, the security forces and the bureaucracy; moreover, they had some influence over and benefitted from the Egyptian policy of Great Britain. Today, the various kinds of power are exercised by the new men.

Somewhat over 80% of the Egyptian population is in

9. the traditional lower class. While it does enjoy somewhat better health today than half a century ago and does have some access to schooling which it did not have until recently, the per capita income of this group has always hovered near subsistence. Today, as throughout Egyptian history, from a political point of view, this group is irrelevant.

Since 1952, the income of the upper and middle traditional classes has fallen as their political power has declined. While most still live well by any standards, they no longer hold a commanding position in the Egyptian economy.

What of the new men? We do not know in detail because the questions have not been put in the form of these categories. It is clear, however, that the real income of all three modern classes has risen sharply since 1952. These groups have been the principal beneficiaries of economic growth and reallocation. Indeed, virtually all of the new men are the children of the revolution.

It is fairly clear, therefore, that while the performance of the economy as a whole has been deficient, as viewed from an economic point of view, it has been sectorally quite satisfactory from a political point of view. No one today seriously questions the stability of the regime.

Applying this scheme to Algeria produces results which are quite different from those we see in the analysis of the economy and the society by more traditional methods. As mentioned above, the GNP of Algeria has fallen from \$2.9 billion to \$1.9 billion in the period from 1960 to 1963. Thus, there has been a percipitous statistical fall in GNP per capita.

It is also evident that a very large section of the population, most of the traditional lower class, has not benefited in any way by the revolution. The traditional upper class, composed of approximately 1/3 Europeans and 2/3 Algerians, has been the loser. Large numbers have



emigrated and/or have had their properties confiscated.

The principal gainers have been the new men who have emerged from the revolution. These fall into four main groups: The Army, the industrial labor force, the modern agriculturists and the bureaucracy. They have benefited directly from the turmoil of the revolution by acquiring rent-free housing in the major cities (apartments primarily which were vacated by the French following the achievement of independence) and by moving into positions in the economy and governmental structure which were formerly French preserves. Moreover, in other ways, the Government has sought to cater to their needs and desires so that they have become the privileged elite of Algerian society. Thus, while it is evident to any economist that the Algerian economy is in extremely bad condition and is degenerating today, it is also evident that the political position of the regime is strong and probably growing stronger.

## IX

From this analysis in Algeria, as in Egypt, follow certain deductions about American policy. Since the achievement of independence in Algeria, the United States Government has been of major assistance in providing Public Law 480 wheat. The Algerian Government has not been particularly grateful for this assistance. The reason is easy to see. The Algerian Government regards the American wheat merely as palliative which, while institutionalizing Algerian dependence upon the US, enables it to feed those elements of its population who are not particularly productive of its modernizing goals, primarily the rural and urban lower class of the traditional society. Such other help as the United States Government has been willing to offer is primarily in the traditional sector of the society, in agriculture, and in Algeria, as in Egypt, the Government is relatively unconcerned with agriculture. Both the Algerian Government and the Egyptian Government, moreover, regard the West as having a consistent policy of attempting to keep the underdeveloped world backward to be the "farm" of the Western world. The Soviet

Union and China, on the other hand, have offered assistance in those areas which the Algerian Government believes to be politically vital to its existence -- the creation of positions in the modern sector of the economy, particularly in industry.

Largely for reasons other than those suggested above, the estimate of virtually every informed and politically acute American observer in Algeria is that the present regime has a high chance of survival. This analysis suggests that this is so primarily because those elements in the society which are politically capable are ranged alongside the existing government which derives its power directly from them and contributes directly to their well being by all of its significant policies.

## X

When one views other traditional societies in transition, quite an interesting set of observations emerge from the analysis suggested above. It is possible to see, I believe, in Iraq prior to the 1958 revolution a pattern which may be similar to that today developing in Morocco, Libya, Saudi Arabia and, perhaps, Iran.

What happened in Iraq was that political power was exercised by the upper right hand box in our scheme but it was the consistent policy of the Government of Iraq to develop resources in the three left hand boxes of the society. The Development Board program centered on the creation of "new men" by sending thousands of Iraqi students abroad for advanced, modern training and by creating an industrial economy which could support, sustain and employ them. They alone could manage the new economy. Consequently, it enriched and empowered them.

Moreover, the regime in Iraq was dedicated to the creation of a modern military establishment. The fact that this establishment was primarily trained and equipped by the United States rather than the Soviet Union made relatively little difference in domestic Iraqi politics. The fact was, as Halpern noted in the quotation above,



that the more professional and more capable the Army got the more completely it differed from the traditional regime under whose banner it served.

As real economic, social, military and other forms of power shifted increasingly to the technically able men of the modern component of society, the traditional government came to rely increasingly upon instruments of repression to keep itself in power. Ultimately, however, even the instruments of repression had to be manned by the "new men" as they came increasingly to rely upon modern tools and techniques. Less and less did real power relate to the political conceptualization of power as represented by the royal family and the small circle of senior officials who dominated political life. Ultimately, the "new men" intervened to destroy the old political order and to create a political conceptualization of power which more nearly equated with their real position in society.

Is this a likely development in Morocco, Libya, Saudi Arabia and Iran?

Iran is perhaps the most fully described society in which this problem arises. Beginning in the 1905 Constitutional Revolution, modernizing elements in Iran have attempted to create for themselves a political position. Time after time outside forces have intervened to check the growth of this tendency. The last time it was attempted on a national scale was in the Mossadeq period. This was decisively ended by the restoration of the Shah to full power and the suppression of the National Front.

Yet, even after this experience -- to some degree because of it -- the government of the Shah has embarked upon an even more rapid development of the economic and social position of the "new men". One only has to see the development of industry in Tehran and other urban centers to realize the growing importance of the modernizing elements in the society. Iran is rapidly becoming a complex, industrial society. Its factories, banks, transportation and communication facilities and security forces all must be staffed by the new men. Some 14,000


Iranian students are abroad studying today and in Iran, as in Iraq, the Plan Organization has been involved in creating, as rapidly as possible, a new structure of economic and social power.

The most recent of the Shah's reforms, additionally, has tended to destroy the economic and political power of the traditional landed aristocracy. Thus, in two ways the Shah has embarked on a program which has weakened both absolutely and relatively the power of his component of society, the traditional element.

In Morocco, similarly, political power is now exercised by the upper right hand box. In Morocco, however the labor organization (Union Marocaine du Travail), the strongest on the African continent and one of the major labor organizations in the world, has set about carefully and deliberately to create a shadow government. The labor organization has embarked for some years on a program of providing scholarships for study abroad for promising young Moroccans in all phases of "modern" training. The Moroccan Government has, itself, accentuated the same sort of program. The net result is a major shift of the focus of power in all but political manifestations from the right hand side of our ledger to the left.

The central problem of the coming decade in both Iran and Morocco is probably the method of a transfer of elements of political power from the upper right hand box to the upper two left hand boxes in our conceptual scheme. Ultimately, if this is not done gradually and constructively, there is bound to be a dislocation of political power by more violent means.

In both Libya and Saudi Arabia, much the same pattern of development is taking place but is at a much earlier stage. In both of these countries it is the military which is leading the way. Both states want modernized armies. Modernized armies, of course, require people who are technologically able to use such sophisticated equipment as jet airplanes, tanks and radios and who can organize and manage logistical systems. Thus, in both of





these countries, as in Egypt before them, the military establishments require the creation of the modern sector of the society.

With the lesson of Egypt and Iraq before them, however, the astute leaders of Libya and Saudi Arabia have managed to balance the growth of modern military establishments with "white" armies which are drawn from the traditional structure of the society and are personally loyal to the ruler.

Judged in terms of the criterion established by this paper, the situation in Libya is a great deal more fragile as the traditional power elite is extremely small while the relatively more modern traditional middle class is numerous and is opposed on geographical and urban-rural bases to the traditional power elite. In Saudi Arabia, on the other hand, there is no major urban bourgeoisie as yet and the traditional power elite, roughly the royal family with hangers-on, is extraordinarily numerous due to the verility of the old King Ibn Saud. So numerous is the progeny of Ibn Saud as to constitute virtually a class in this society in its own right. Moreover, each member of the royal family is a condottiere with armed retainers so that the royal family represents, as a whole, a very real military as well as economic power in the country.

## XI

The experience of these countries suggests two further points. The first is that it is the pattern of development rather than the size of the groups involved which is politically significant. The enormous leverage gained by the new men as new forms of power are created is startling. Thus, the fact that discontent is noted only in a small group without apparent political power has often misled the proponents of the status quo. The men who began the Egyptian, Iraqi and Algerian revolutions numbered only a few score.

The second observation is that representative government is a necessary ingredient of political stability.

From an amoral point of view, however, those whose interests are represented in the government need not be "the people" or even the literate people but must at minimum include those without whom the power of the society cannot be wielded. The degree of direct representation demanded by these groups will depend upon the strength of the government, their identification with it, the stage of their development and in part -- though not necessarily in a direct ratio -- upon the effectiveness with which the government satisfies their non-political demands. Additionally, cultural, ideological and religious factors will modify the political relationship. But, the key problem of politics will be the creation of such a degree of satisfaction and identification as to prevent revolution. It is only when the government refuses the principle of accommodation that revolution is virtually certain.

## XII

A question which is posed by this form of analysis is a proper role for American foreign policy. This question might be divided into two parts: first is the prognosis of the result of the now evident social and political change on American interests abroad. The second is the efficacy by which America can and should influence the course of social change through its AID programs, technical assistance and cultural exchange.

Egypt is relatively further along in this process of change than any of the other countries now under discussion. There, one can already perceive the development of vested interests in the modernizing category of society. This was not evident until perhaps a year or two ago. Prior to that time, the tiny ruling elite, essentially Nasser himself, was able to act virtually completely at its whim or its interpretation at least of the goals of its "new men". Today that is no longer the case. The new Egyptian upper class has begun to enjoy the fruits of the revolution and is not anxious to have funds allocated to such external adventures as the Yemen war or subversion in Syria. It wants more of the good things of



life domestically in Egypt. Moreover, professionally as individuals within the new upper class have come to be identified with such projects as the Suez Canal, the steel mill or other facets of the modern economy, emotional vested interests have been created so that the bureaucrats of the government fight for the allocation of resources for their projects just as pressure groups within American society fight for the allocation of government resources here. Both of these factors have tended to narrow the freedom of action of the UAR Government.

Similarly, the new men have demanded a larger share or representation in at least the formal aspects of political power. The Egyptian Government has felt obliged to cater to this sentiment with the creation of a parliament, an Arab Socialist Union, and a Liberation Rally in its decade of power. Today, there is in being a Parliament which worked rather hard for its existence. (Our Ambassador in Cairo reported that one individual spent LE 12,000 to wage his electoral campaign for office.) Although it is true that the range of candidates was very closely controlled and the government passed on those allowed to run, the parliament in Egypt today as in an earlier period in England has begun to develop some vested interests and these will increasingly come to inhibit any exercise of arbitrary power.

When one silhouettes this development against the conception of American objectives in the Middle East, he will perceive that the middle-term future is more with us than against us. The United States wants a stable and prosperous Egypt, for example, which is not open to external subversion or aggression and which is concentrating its energies on domestic Egyptian affairs. As the society develops vested interests and as the government is less and less able to embark on arbitrary, dangerous and adventurous foreign policies, United States interests throughout the Middle East will be served.

Iran and Morocco, however, offer more of a challenge to American policy. If the United States government becomes excessively identified with the upper right hand

category in the social spectrum, with the King of Morocco and the Shah of Iran, it will clearly be on a losing wicket. These very regimes are creating the forces of their entrapment if not destruction. If the United States allows itself to be used to block the forces of social change in these societies, it will tend to be rejected, perhaps as violently as in Iraq in 1958-1960, when an explosion comes in these two countries.

If, on the other hand, the United States Government is able to assist in the peaceful and gradual transition of power, it will find its position in both of these countries considerably augmented. This is true both because the people who now make up the "new men" of Iranian and Moroccan society are committed to a popular participation in rule which would fit well with American domestic conceptions on the one hand and on the other because the structure of the society they represent is developing vested interests which will force their states toward a relatively stable, peaceful and constructive approach to world affairs.

It has been difficult, in the past, to project such ideas as these within the government because the analysis of social change in Iran, for example, has indicated there was simply no choice as between the Shah and the Communist Party, no middle ground or way-station on the "slippery slide" to chaos and Communist domination. Without arguing whether or not this was true in the past the above analysis suggests that it certainly will not be true in the future. The corollary to be drawn from this is that American policy should be dedicated to moving the governments of Iran and Morocco slowly and constructively toward a greater involvement by the "new men" in political power.

### XIII

The second question which arises is how the United States can and should influence the course of economic and social development. In the past, it has puzzled and perplexed American policy planners and practitioners of



American military assistance and AID programs abroad as to how their programs add up to a coherent underpinning of world stability and order. If such a creation of stability and order is the true purpose, and it certainly appears to have been, then such programs as we have embarked upon in Iraq in 1952 are clearly inimicable to American policy interests. Similar programs have been undertaken in Libya, Ethiopia, Morocco, Saudi Arabia, Jordan, and Iran. This analysis would suggest that when power is exercised by the upper right hand element in the spectrum of society, then AID programs and military assistance are bound enormously to increase the strain on the existing political structure and to accentuate the danger of rapid political change. When, however, political power is exercised by the upper left hand box in the social graph, such programs will facilitate the growth of stability and order by increasing the component of society which supports the governmental order.

Thus, an AID program which increases military capability, industrial potential and educational opportunity in Jordan will have almost diametrically opposite results from one which does the same in Egypt.

However, without exception, the governments of the underdeveloped countries are dedicated to rapid economic and social development. In no country of the underdeveloped world, can a government exist which does not at least pay lip service to such a program. It is noteworthy that even the Imam of Yemen felt obliged to send a student mission abroad. This suggests, therefore, that the proper role of the American advisers is to facilitate both development of those programs which will less severely and less rapidly disrupt the organization of society while American political levers are used to encourage the orderly transference of power as the society develops. The one without the other is bound to produce a revolutionary situation, both together will produce an orderly and stable development.

#### XIV

Such delicate political and economic programs can

only be carried out in practice with a far greater degree of coordination and cooperation between the various agencies of the American Government than today exists. They also would require a sort of social and political inquiry upon which the government is not now embarked. And finally they involve a coherence of policy planning which is now only in its early stages of development.

A first step in the process of developing this greater degree of understanding, coordination, and implementation of American policy may be accomplished by the development of a usable scheme of analysis of the sort of social, political and economic change we are now witnessing in Africa, the Middle East, South Asia and Southeast Asia.